

## ATH AGM Resolutions

The following resolutions were passed by unanimous vote by those attending and eligible to vote at the 18<sup>th</sup> ATH Annual General Meeting held on Wednesday, 31 August 2016 at 9.30 am at the Lali Room, Holiday Inn,Suva:

- 1. The Adoption of the Minutes of the 17<sup>th</sup> AGM held on Wednesday, 26 August 2015.
- To adopt the financial statements of the company and of the group, comprising
  of the statements of financial position, the statements of profit and loss and
  other comprehensive income, statements of changes in equity and statements
  of cashflows, and the reports of the Directors and Auditors for the financial year
  ended 31 March 2016.
- 3. To declare a final dividend of 5.0 cents per share totalling \$21,105,243.40 in accordance with the recommendations of the Directors.
- 4. To elect Mr David Kolitagane as Director replacing retiring Director, Mr Isikeli Voceduadua, in accordance with Articles 6.4 of the Articles of Association.
- 5. To fix the total remuneration of the Directors for the ensuing year at \$90,000 in accordance with article 6.7.
- 6. To appoint BDO as Auditors for the financial year ending 31 March 2017 and authorise the Directors to fix their remuneration.

- End -

Director

General Manager/Company Secretary

31 August 2016

## About ATH:

The ATH Group of Companies comprises ATH, Telecom Fiji Limited, Vodafone Fiji Limited, FINTEL, Fiji Directories Limited, ATH Kiribati Limited and Datec (Fiji) Limited and its subsidiary, Datec Australia Pty Limited.

ATH is a public company listed on the South Pacific Stock Exchange and is Fiji's principal telecommunications holding company, through its investments and provision of direct services in a broad range of telecommunications and related services, throughout the Fiji and Kiribati market.

The Fiji National Provident Fund is the largest shareholder of ATH.

## Contact:

Ivan Fong, General Manager/Company Secretary 3308-700 or IvanF@ath.com.fj



## General Manager's Address at the ATH 18<sup>th</sup> Annual General Meeting Held at Lali Room, Holiday Inn at 9.00 am on Wednesday, 31 August 2016

Good morning, and a very warm welcome this morning to all shareholders and shareholder proxies; and also to all invitees and members of the media.

Chairman, thank you for your address to shareholders.

For the ATH Group, the year ended 31 March 2016 has been another year of improvements throughout the group operating companies and the financials confirm the same as well.

A summary of the Group consolidated financial highlights are as follows:

- 1. Sales Revenue increased by 14.07% to \$356.2 million;
- 2. Corresponding Gross Profit increased by 10.9% to \$229 million;
- 3. EBITDA increased by 3.4% to \$134.5 million
- 4. Total Profit for the year of \$81.8 million and after accounting for minority interest of \$25.1 million, the Profit attributable to shareholders of the holding company was \$56.7 million;
- 5. Net Operating Cash Flow decreased by 9.7% to \$116.3 million due to increased payments to suppliers, taxes and employee payments.

Operationally, our established subsidiaries have continued to focus on organic growth, improvements in operating efficiencies and improving the quality and reliability of Broadband and Internet services. Throughout the country, we are committed to the capital investments required to drive these – namely Vodafone Fiji's continued drive to improve wireless broadband, now delivering the latest 4G+ LTE Advanced technologies, while TFL has been hard at work with its latest MSAN upgrades that are capable to delivering VDSL and GPON fiber to the home services.

While the year again witnessed solid performance from operating companies, what has been most significant to note has been the contributions of ATH's recently acquired businesses, ATH Kiribati Limited and Datec Fiji Limited. These companies have turned around and made small but significant positive contributions to the overall ATH results.

We recall the discussions at our AGM about one year ago, where shareholders queried ATH's confidence in acquiring businesses that were performing poorly, and indeed, especially the operation in Kiribati where the operation appeared to be on its last legs. For sure the efforts and resources required by the group have been quite challenging and demanding for all involved but it has been absolutely delightful to witness the rejuvenation of these entities and their contributions within a year.

From these achievements, most significantly though, these results provide a reassurance to shareholders of the ATH Group's ability to create and add value as an active investor, and from this point on, we can have full confidence that ATH's regional expansion strategy is on the right track.

Last year, we reiterated our intent to continue with regional expansion to follow on from Kiribati, and you will now be aware that the Tui Samoa cable has agreed to use FINTEL landing facilities to connect to Fiji and will come online in 2018. The Government has complemented this with their recent budget announcement of leveraging off the Tui Samoa cable to connect Viti Levu and Vanua Levu by optical fiber.

You will also be now aware that the Amper SA group has accepted a binding offer from ATH to acquire all of its interests in its South Pacific Units. Amper currently has an overall majority look through economic interest in the following entities:

- 1. American Samoa Hawaii Cable Inc;
- 2. American Samoa Telecom LLC;
- 3. American Samoa Entertainment LLC;
- 4. Bluesky Samoa Limited;
- 5. Telecom Cook Islands Limited;
- 6. Telecom Cook Islands Limited; and
- 7. Bluesky New Zealand Limited;

While this transaction will require significant time and effort to complete due to the number of countries and jurisdictions involved, we are very excited with the potential of this opportunity that can provide us access to the number of Pacific Island markets that come into play through this transaction.

Obviously, participating and having access on a regional basis brings the ability to deliver benefits through regional product and service delivery, consolidation benefits such as aggregation of purchasing requirements, realising scale and scope economies and other synergies that could be unlocked.

While we had another year of improvement in the last financial year, it was also affected by TC Winston. This was one of the worst storms on record for Fiji and the Southern Hemisphere. Damage to infrastructure, especially to towers, lines and poles and power outages resulted in service outages to customers.

Despite the disruptions though, it has been heartening to witness the swift restoration of services on a well co-ordinated basis with other companies and disaster management entities. Additionally, the group companies led by the Vodafone ATH Foundation were also active in the relief efforts throughout the country.

The key takeaway for all of us has been that we cannot control the forces of nature; however, we can all take steps to mitigate and reduce the risks through preparedness, and having well co-ordinated and rehearsed disaster response and recovery plans in place.

Looking ahead to the future, we continue to be faced with the challenges of remaining relevant in the Intenet era, where legacy services continue to be challenged by Internet and cloud based apps, and where the Pacific in general is susceptible to higher costs due to our overall isolation by sea and relatively small, less dense populations.

Investment in Fiji will remain on improving the coverage, speed, quality and reliability of Broadband, Wireless capacity and fiber to the home.

For regional connectivity, ATH will continue to drive Fiji as a hub for the region and also now that we envisage direct participation in many of our neighbouring markets, establishing direct connectivity where a case exists. There are now also some opportunities for ATH to take a leading role in kickstarting these investments.

On the technology front, developments such as the Internet of Things, proliferation of cloud technologies, and virtualization will continue to drive demand for network access and connectivity. New technologies such as 5G wireless, Heterogenous Networks, and more fiber rollout will be the foundational platforms for delivering the underlying connectivity. What is truly mind-boggling is the size of the market, where the market forecasts predict that by 2020, we will have 10 times more devices connected than we have today.

In closing I would like to express appreciation to all of the shareholders and stakeholders for your patience and tolerance, the Management of all of our operating companies and their respective Boards for all of the support, guidance, effort and commitment that has gone in to make the year a successful one. We have much more work to do. However, we are enthusiastic about the potential successes, and we look forward to continuing to deliver excellent results again.